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Financing of the United Nations Mission in Bosnia and Herzegovina

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee recalls that the Security Council, in its resolution 1035 (1995) of 21 December 1995, established a United Nations civilian police force, known as the International Police Task Force (IPTF), entrusted with the responsibilities set out in annex 11 to the General Framework Agreement for Peace in Bosnia and Herzegovina and the annexes thereto (A/50/790-S/1995/999, annex), and a United Nations civilian office with the responsibilities set out in the report of the Secretary-General concerning the implementation of the Agreement (S/1995/1031 and Add.1). The operation is referred to as the United Nations Mission in Bosnia and Herzegovina (UNMIBH). The deployment of military observers in the Prevlaka peninsula, authorized by the Security Council in its resolution 779 (1992) of 6 October 1992, later became known as the United Nations Mission of Observers in Prevlaka (UNMOP), and, although it is an independent mission, it is treated as part of UNMIBH for administrative and budgetary purposes.

2. The resources made available to UNMIBH for the period from 1 January 1996 to 30 June 1998 amount to $384,577,800 gross ($367,371,000 net), as indicated in paragraph 17 of the report of the Secretary-General of 9 February 1998 (A/52/786). Expenditures for the same period are indicated at $345,029,300 gross ($330,138,500 net) and an amount of $6,516,800 gross ($6,500,800 net) has been credited to Member States. Moreover, a total amount of $264,889,053 has been assessed on Member States for the operation of the Mission for the period from 1 January 1996 through 31 December 1997 and, as at 31 December 1997, contributions received totalled $230,560,582, resulting in a shortfall of $34,328,471.

Financial performance report for the period from 1 July 1996 to 30 June 1997

3. The General Assembly, in its resolutions 50/241 of 7 June 1996 and 51/152 A of 16 December 1996 appropriated a total amount of $151,239,600 gross ($144,451,200 net), which included $147,403,000 gross ($140,614,600 net) for the maintenance of the Mission for the period from 1 July 1996 to 30 June 1997 and an amount of $3,836,600 for the support account for peacekeeping operations. Paragraph 7 and annex I to the report of the Secretary-General of 3 December 1997 (A/52/708 and Corr.1) indicate expenditures for the 12-month period totalling $118,207,900 gross ($113,719,500 net), resulting in an unencumbered balance of $33,031,700 gross ($30,731,700 net). In paragraph 10 below, the Advisory Committee recommends that this balance be credited to Member States. The Committee was informed that unliquidated obligations, reported at

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$13,472,900 in the report of the Secretary-General, have since been reduced as at 31 January 1998 to $6,972,300.

4. The reasons for such a high unencumbered balance, 22 per cent of the amount appropriated, are indicated in paragraph 7 of the report of the Secretary-General (A/52/708 and Corr.1): delays in the deployment of civilian staff, the continued availability of supplies from the United Nations Peace Forces (UNPF) headquarters for the maintenance of premises, vehicle spare parts and other miscellaneous supplies, fewer operational vehicles than estimated and reduced utilization of satellite and commercial communications. The Advisory Committee is of the opinion that such a high unencumbered balance is attributable, at least in part, to deficiencies in budget planning (see para. 5 below).

5. Budget item 2, civilian personnel costs, shows savings in the amount of $16,497,400, from a provision of $110,365,000. The Committee was informed, upon inquiry, that the vacancy rates for the reporting period approximated 6 per cent for civilian police, 35 per cent for international staff, 14 per cent for local staff, and 2 per cent for military observers. Moreover, savings of $1 million for civilian police costs resulted, as indicated in paragraph 8 of annex II.B to the report (A/52/708 and Corr.1), from a slower than planned deployment and an actual decrease in the number of civilian police from December 1996 to April 1997. Underexpenditures of $16,497,400 are also reported with regard to civilian personnel costs. The reasons for the delays in the deployment of civilian staff, however, are not clearly explained. In this connection, the Committee notes that paragraph 12 of annex II.B states that, owing to delays in the processing of personnel actions, former UNPF staff who were transferred to UNMIBH continued to be charged to UNPF. In fact, the Committee was informed that a $4 million overrun appears in the UNPF accounts in this connection, yet the Committee understands that this amount also includes expenditures related to the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the United Nations Preventive Deployment Force (UNPREDEP), in addition to UNMIBH.

6. The Advisory Committee expresses its concern at the deficiencies shown in managing change, evident in the statement in paragraph 4 of the Secretary-General's report, where it is indicated that since UNMIBH had only become independent of UNPF administration on 1 July 1996, the Mission had little actual experience to draw upon for the preparation of a revised budget. The Committee is also concerned about other inadequacies in connection with the capacity for processing information and the accounting of expenditures, illustrated by the number of erroneous recordings indicated in annex II.B, paragraphs 13, 19, 28 and 36, as well as with the failure to clearly indicate the effects of such large vacancies or underexpenditures on the effectiveness of the Mission's operations.

7. Transport operations, budgeted at $6,238,400, show total expenditures of $2,839,800 — a variance of $3,398,600. Although the budget estimates included plans for the deployment of 1,030 vehicles to be transferred from UNPF, actual vehicle holdings averaged 834 — excluding 107 vehicles that were written off during the reporting period — resulting in unspent balances for operating costs, including savings, of $2,246,300 under spare parts, repairs and maintenance, and $1,398,600 under petrol, oil and lubricants. With regard to the additional requirement of $115,500 in non-recurrent costs under this budget item, the Committee was informed, upon inquiry, that the amount was related to the freight costs of 60 vehicles from the United Nations Mission for the Referendum in Western Sahara (MINURSO) in April 1997.

8. Expenditures amounting to $3,069,600 are indicated under budget item 8, communications, out of a budgeted provision of $5,187,600. The Advisory Committee notes that most of the savings ($2,606,900) relate to commercial communications resulting from the acquisition of fewer IMMARSAT M terminals than originally planned and the reduced utilization of commercial communications. The Committee was further informed that experience has shown that IMMARSAT M terminals are becoming less reliable and economical to function, therefore being replaced by IMMARSAT C terminals and the United Nations V-SAT system wherever possible. These underexpenditures in commercial communications were offset in part by unforeseen expenditures of $603,400 under communications equipment associated with the purchase of equipment listed in paragraph 46 of annex II.B.

9. The Advisory Committee also notes that requirements of $324,500 for other travel costs are listed under budget item 2, civilian personnel costs, where the apportioned amount provided for $132,000. However, the Committee was informed that, of this total amount, $72,500 related to travel to training seminars, incorrectly posted under this budget item instead of item 13, training programmes, and that $11,800 will be reimbursed to UNMIBH from the United Nations Office of the Humanitarian Coordinator for Iraq for the travel of UNMIBH technical staff.

10. The action to be taken by the General Assembly at its resumed fifty-second session in connection with the financing of UNMIBH is indicated in the report of the Secretary-General of 3 December 1997 (A/52/708 and

Corr.1, para. 11). The Advisory Committee concurs that the unencumbered balance of $33,031,700 gross ($30,731,700 net) for the period from 1 July 1996 to 30 June 1997 should be credited to Member States.

Cost estimates from the period from 1 July 1998 to 30 June 1999

11. As indicated in paragraph 27 and annex I to the report of the Secretary-General of 9 February 1998 (A/52/786), the cost estimates proposed for the maintenance of UNMIBH – which also include UNMOP, central support services to the peacekeeping operations in the former Yugoslavia and the United Nations liaison offices at Belgrade and Zagreb – for the period from 1 July 1998 to 30 June 1999 are estimated at $190,921,200 gross ($181,030,800 net). In paragraph 28 of that report, it is further indicated that these estimates represent a 1 per cent increase ($1,785,600) in gross terms, in relation to the resources made available for the previous budget period of $189,488,900 gross. As indicated in paragraph 19 below, the Advisory Committee is recommending an amount of $180 million gross, a reduction of $10,921,200.

12. In this connection, however, the Advisory Committee recalls that, in its previous report on the financing of UNMIBH (A/52/546), it recommended that the amount of $10.6 million requested by the Secretary-General for the expansion of the human rights mandate of the Mission and the transfer of central functions (in addition to the amount of $178,880,900 gross, previously appropriated by the General Assembly in its resolution 51/152 B of 13 June 1997 for the period from 1 July 1997 to 30 June 1998) be absorbed. The General Assembly, in its decision 52/437 of 18 December 1997, authorized the Secretary-General to enter into commitments not exceeding the amount of $10.6 million gross, thus making available total resources of $189,488,900 gross ($180,257,300 net) for the period in question.

13. Against this background, the Advisory Committee notes that the proposed estimates for the period from 1 July 1998 through 30 June 1999, contained in the report of the Secretary-General of 9 February 1998 (A/52/786), would therefore represent an increase of 7 per cent when compared to the resources recommended by the Advisory Committee in its previous report (A/52/546) and approved by the General Assembly in its resolution 51/152 B – excluding the commitment authority granted in decision 52/437. The Committee requested a status of expenditures for the Mission for the period from 1 July 1997 to 30 June 1998, which is attached as an annex to the present report. The Committee notes that, as at 31 December 1997, of the total apportioned amount of $189,488,900, recorded expenditures totalled an estimated $66,978,870 for the six months prior to that date – including field unliquidated obligations in the amount of $1,812,700. The Committee doubts the capacity of the Mission to commit the remaining balance during the current financial period.

14. The Advisory Committee notes that provisions are made for 28 military observers in Prevlaka and 5 military liaison officers in Bosnia and Herzegovina, as well as 2,027 civilian police in Bosnia and Herzegovina, on the assumption of full incumbency. Provisions are also made for a staffing component of 1,704 (397 international and 1,307 local staff) – an increase of 5 international posts and 71 local posts as described in paragraph 31 of the report of the Secretary-General (A/52/786). These estimates are based on a 5 per cent vacancy factor. Details regarding the staffing resources for UNMIBH, UNMOP, the liaison offices at Belgrade and Zagreb, as well as central support to the United Nations Mission in Bosnia and Herzegovina, the Support Group and UNPREDEP are contained in annex IV to the report of the Secretary-General. In this connection, the Committee sought further clarification with regard to the staff levels in the liaison offices at Belgrade and Zagreb, and was informed that total civilian staff had decreased in the latter office from a total of 25 in September 1997 (17 international and 8 local staff) to 11 in January 1998 (6 international and 5 local staff) while in Belgrade it had decreased from a total of 33 (19 international and 14 local staff) in September 1997 to 16 (6 international and 10 local staff) in October 1997. Upon inquiry, the Committee was informed that, for the period from 1 July to 31 December 1997, the vacancy rate for police monitors averaged 6 per cent, for international civilian staff, 20 per cent and for local civilian personnel, 4 per cent.

15. The Advisory Committee notes that the proposed requirements for civilian costs amount to $141,036,900, or 74 per cent of the proposed cost estimates. The Committee further notes, as can be seen from the status of expenditures attached as an annex to the present report, that high vacancy rates tend to affect the use of resources in other budget areas such as transport, utilities, communications and premises, in particular when dealing with rental accommodations. In this connection, the information requested by the Committee shows that the authorized monthly expenditures of approximately $15 million during the current budget period exceed the actual monthly expenditures of approximately $11 million.

16. The Advisory Committee also notes that the Secretary-General decided to use the UNTAES Under-Secretary-

General post for his Special Representative and Head of Mission of UNMIBH and to leave vacant the UNMIBH Assistant Secretary-General post through 30 June 1998, as indicated in paragraph 33 of his report (A/52/786). The Committee is of the opinion that the proper procedure should have been to propose and fully justify the post of Under-Secretary-General for UNMIBH before encumbering it from 15 February 1998, especially since the Special Representative and Head of Mission had encumbered the Assistant Secretary-General post from the end of December 1997 until February 1998.

17. Paragraph 27 of the same report indicates that 22 per cent of the costs for maintaining the Mission have been calculated on the basis of standard cost ratios and costs contained in the standard ratio/cost manual, while 78 per cent of those amounts are mission-specific requirements. While in some cases the latter may prove more economical, the Advisory Committee is of the view that the reasons should be clearly explained in each budget.

18. The Advisory Committee welcomes the information submitted in annex VIII to the report of the Secretary-General (A/52/786) regarding the support provided by UNMIBH to other entities of the United Nations system in the mission area. Although the table does not clearly indicate which services are provided on a reimbursable basis, the Committee was assured that these are recovered wherever possible. The Committee sought further information with regard to reimbursement from the Implementation Force (IFOR)/Stabilization Force (SFOR) and other agencies of the system for the provision of communications services. The responsibility for the administrative arrangements on the usage of the United Nations communications network was transferred from UNPF to UNMIBH as at February 1997. The Committee was informed that reimbursement is received from SFOR for the usage of the network. In this connection, a total of $1,876,877 has been charged to SFOR for the period from 20 February to 19 October 1997, inclusive of 14 per cent overhead charges. The amount reimbursed is credited as miscellaneous income to the UNMIBH special account.

19. The actions to be taken by the General Assembly in connection with the financing of UNMIBH, including UNMOP, central support services to the peacekeeping operations in the former Yugoslavia, and the United Nations liaison offices at Belgrade and Zagreb for the 12-month period from 1 July 1998 to 30 June 1999, are set out in paragraph 50 of the report of the Secretary-General (A/52/786). In view of the comments and observations made above, in particular with regard to the current status of expenditures mentioned in paragraph 15 above, the Advisory Committee is of the opinion that requirements for the pe from 1 July 1998 to 30 June 1999 should not exceed $ million gross.

Annex

Provisional expenditure for the period from 1 July 1997 to 30 June 1998 as at 31 December 1997

(In thousands of United States dollars)

		Apportioned	*Estimated expenditure*[a]	*Unencumbered balance*
1	Military personnel costs	2 061.4	1 397.3	664.1
2	Civilian personnel costs	133 356.6	53 169.1	80 187.5
3	Premises/accommodation	5 528.2	1 688.2	3 840.0
4	Infrastructure repairs	100.0	—	100.0
5	Transport operations	18 857.9	1 432.7	17 425.2
6	Air operations	3 384.3	734.0	2 650.3
7	Naval operations	—	—	—
8	Communications	5 092.7	953.3	4 139.4
9	Other equipment	1 153.8	78.9	1 074.9
10	Supplies and services	3 249.6	1 191.0	2 058.6
11	Election-related supplies and services	—	—	—
12	Public information programmes	209.9	11.7	198.2
13	Training programmes	232.0	—	232.0
14	Mine-clearing programmes	—	—	—
15	Assistance for disarmament and demobilization	—	—	—
16	Air and surface freight	150.0	47.4	102.6
17	United Nations Logistics Base, Brindisi	—	—	—
18	Support account for peacekeeping operations	6 880.9	3 255.5	3 625.4
19	Staff assessment	9 231.6	1 206.9	8 024.7
	Total, lines 1-19	**189 488.9**	**65 166.0**	**124 322.9**
20	Income from staff assessment	(9 231.6)	(1 206.9)	(8 024.7)
	Net total	**180 257.3**	**63 959.1**	**116 298.2**
21	Voluntary contributions in kind	—	—	—
	Total resources	**180 257.3**	**63 959.1**	**116 298.2**

[a] Excludes field unliquidated obligations in the amount of $1,812.7.